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Portugal: Election and Postelection Outlook

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An Intelligence Assessment

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An Intelligence Assessment

The author of this paper is [] Office of
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This paper was coordinated with the Directorate of
Operations and the National Intelligence Council. []

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**Portugal: Election and
Postelection Outlook**

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Key Judgments*Information available
as of 28 March 1983
was used in this report.*

Former Prime Minister Mario Soares and his Socialist Party are poised for a return to government after a five-year hiatus. The Socialists probably will finish first in the special parliamentary election scheduled for 25 April—the ninth anniversary of the Revolution. 25X1

We believe there is a small chance that the party could win an absolute majority, but even the most optimistic Socialists do not expect to poll more than 40 percent of the vote. If they win a plurality, the Socialists are likely, in our view, to seek a coalition partner to assure control of parliament. Their choice is most likely to be the Social Democratic Party, now led by former Prime Minister Carlos Mota Pinto. We believe any bargaining between the Socialists and Social Democrats would be tough, and it is possible that the Socialists would be unable to accept the Social Democrats' demands. In that event we would expect the Socialists to form a minority government. 25X1

The new government will face formidable economic problems. Portugal's current account deficit exceeded \$3 billion last year, and the country probably will have to seek IMF support before the end of the year. Inflation is running at more than 22 percent, and unemployment remains at about 9 percent. We believe that even a Socialist government will have little choice but to initiate unpopular belt-tightening measures. Labor unrest is a distinct possibility further down the road, given the likelihood that the Communist Party will agitate among workers feeling the pinch on their already meager resources. 25X1

The results of the election are unlikely, in our view, to break the pattern of chronic government instability in post-Revolutionary Portugal. The pressing need for unpopular economic measures, the intensely partisan nature of Portuguese politics, and the internal dissension in each of the democratic parties almost guarantees this. We believe matters are only complicated by a fundamental dispute between President Eanes and the parties over the appropriate role of the president. 25X1

Although such infighting will continue, the country's foreign policy probably will stay on an even keel. The foreign policies of a Socialist government would differ little from those of the last several governments. All the democratic parties are pro-West and pro-NATO, and entrance into the European Community is a priority for all of them. 25X1

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The negotiations for renewal of the Lajes Airbase agreement, which expired in February 1983, probably will be completed by a Socialist-led government. We do not expect major problems. Soares recognizes the strategic importance of the Azores both for the United States and NATO. In addition, the Socialists have been kept apprised of the negotiations, and we believe they are in general agreement with the terms laid out so far.

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We expect a Socialist government to be generally receptive to US requests to use Portuguese military facilities, including those on the mainland, for other than NATO purposes. The Socialists have said, though, that they will not grant blanket permission for such activities. This is partly a matter of sovereignty, but the Portuguese have also stressed the increased risks they might face in permitting expanded use of their facilities. Their most likely concern is the possible impact on Lisbon's relations with the Arab states and the chance of a cutoff of their oil supply. Other factors that will constrain the Socialists in working out military agreements with the United States include: the military's concern that Washington and other NATO governments do not take Portugal's military needs seriously, the probability that the Communists will attack any agreement as a betrayal of Portuguese interests, and the country's chronically weak economy.

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Portugal: Election and Postelection Outlook

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Setting the Stage

The election on 25 April for Portugal's 250-member National Assembly was precipitated by the resignation last December of Prime Minister Francisco Pinto Balsemao's Democratic Alliance government. The four-year-old Alliance—a center-right coalition of the Social Democrats, the Center Democrats, and the tiny Popular Monarchist Party—had once seemed the antidote for the country's chronic governmental instability. After finishing a major revision of the constitution last fall, however, the coalition seemed to lose a sense of purpose and fell prey to petty internal squabbling.

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Under attack both from his own Social Democratic Party and from the Center Democrats, Balsemao resigned just as the Assembly was considering the 1983 budget. After a half-hearted attempt by Alliance leaders to put together a successor government, President Ramalho Eanes lost patience and announced his intention to dissolve parliament. Before doing so, however, he insisted that the Alliance parties enact measures that would allow Balsemao's caretaker government to function normally until the election and to begin chipping away at the country's serious economic problems.

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The provisional budget and wage guidelines passed by parliament before it was dissolved constituted only small first steps toward coming to grips with the country's alarmingly high external debt of about \$13 billion and its current account deficit, which soared to over \$3 billion—about 14 percent of GDP—in 1982. The provisional economic measures, moreover, have had little impact on two problems that more directly affect the voters: an inflation rate of more than 22-percent inflation and 9-percent unemployment.

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The other key issue of the campaign—though one the politicians probably will not articulate—may be the political system itself. A perception that politicians are irresponsible has made the average Portuguese

somewhat cynical about the state of democracy. For example, nearly 69 percent of those polled recently by NORMA, a polling firm affiliated with Gallup International, were dissatisfied with the current political system. Over 50 percent disapproved of the conduct of the political parties. Only President Eanes did well in the poll; nearly 49 percent approved of his performance in office.¹ We suspect the Embassy is right in its assessment that the survey is indicative not so much of a desire to abandon democracy as to find ways to improve the system. Even so, there seems to be a mood abroad in the country that the politicians can ignore over the longer term only at their own peril.

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Despite the widespread concern about the efficacy of the country's political system, the public has so far shown little interest in this election campaign. We believe this may stem in part from the banality of the campaign rhetoric and an emphasis on personalities at the expense of issues. None of the parties has offered much in the way of specific plans for coping with Portugal's problems. The tendency on the part of the democratic parties to blur the distinctions among themselves has only underscored the superficiality of the debate. The public's indifference may also be a function of the frequency with which Portuguese voters have been called to the polls recently. The 25 April election will be the sixth nationwide vote in little more than three years.

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Exit the Alliance

The 25 April election will differ in one major respect from the two previous parliamentary elections: the Democratic Alliance will not be running. The ultimately fruitless efforts to replace Balsemao proved to be the Alliance's last gasp. In the weeks that followed,

¹ Although the poll was taken immediately after Balsemao's resignation, its results are generally consistent with those of similar polls taken in the past.

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**Breakdown of Party Seating in
Parliamentary Election of 1980**

250 Seats

| | Number of Seats |
|---|-----------------|
| Democratic Alliance | |
| Social Democratic Party | 82 |
| Center Democratic Party | 46 |
| Popular Monarchist Party | 6 |
| Total | 134 |
| Socialist Republican Front | |
| Socialist Party | 66 |
| Association of Independent Social Democrats | 4 |
| Union for a Democratic Socialist Left | 4 |
| Total | 74 |
| United People's Alliance | |
| Communist Party | 39 |
| Democratic Movement | 2 |
| Total | 41 |
| Popular Democratic Union | 1 |

**The Political Actors—
Programs and Prospects****Social Democrats**

The Social Democrats' decision to withdraw from the Alliance has, we think, left them somewhat unsure of how to proceed. The party made a show of decisiveness at its congress in late February, removing Balsemao from power, eliminating the position of party president, and electing a conservative triumvirate dominated by former Prime Minister Carlos Mota Pinto to run the party. We believe that Balsemao's exit has abated the internal dissension for the moment. But the Social Democrats strike us as lacking the clear sense of direction that they would undoubtedly hope to project on the eve of an important election. Hoping to minimize their role in a government that presided over a deepening economic crisis, the new party leaders are basically ignoring the Balsemao period and instead are focusing on the future. The party has laid out a vague and generally moderate program, recognizing the need for austerity and the desirability of a broad social consensus, and combining the themes of social justice, economic efficacy, and support for an expanding private sector.

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the two parties drifted further and further apart. Both parties brooded about Alliance losses in the municipal elections last December. Although it was the Social Democrats who first expressed a desire to go it alone in April, the Center Democrats did not demur.

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With the demise of the Alliance, there will now be four major groups contesting the election, rather than the three of recent years. The Social Democrats, Center Democrats, Socialists, and Communists will all be competing for the substantial bonus that falls to the plurality party under Portugal's electoral system—an advantage that has gone to the Democratic Alliance in the past two elections. In October 1980, for example, the Social Democrats and Center Democrats running together under the Alliance banner won 47.5 percent of the popular vote. This yielded 53.6 percent of the seats in parliament (see table).

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The party's public pronouncements suggest that Mota Pinto and his colleagues are keeping the party's platform and postelection plans ambiguous in the hope of maximizing their leverage in the coalition-building process that probably will follow the voting. The conservative nature of the party leadership suggests to us that if the Social Democrats were asked to form a government, Mota Pinto would turn first to the Center Democrats in his search for a coalition partner. Despite recent differences between the two parties, they represent known quantities for each other. Moreover, the Social Democrats, as the larger party, would take the lead in such a coalition, and Mota Pinto probably would realize his longtime ambition again to lead the government.

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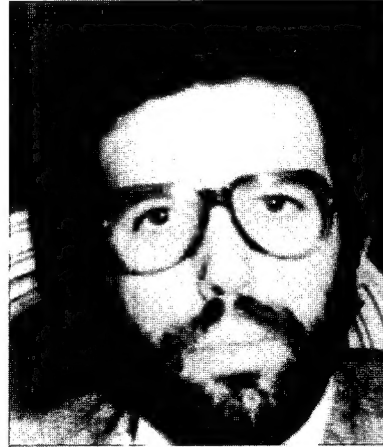
**Carlos Alberto
da Mota Pinto**

A respected law professor and a former Prime Minister (1978-79), Carlos Alberto da Mota Pinto, 46, became the effective leader of the Social Democratic Party in February 1983. A centrist in the party, he shares the leadership with representatives of the liberal and conservative wings of the party—an arrangement that we believe will enable him to consolidate his power base within the party. US Embassy officials regard Mota Pinto as a solid, center-left democrat who is strongly anti-Communist and well disposed toward the United States. We believe that he supports his country's commitment to NATO and entry into the European Community. A former deputy in the Assembly of the Republic (1975-76), member of the Constitutional Commission (1976-77), and Minister of Commerce and Tourism (March-December 1977), Mota Pinto has taught full time since 1979 and is a member of the Council of State. According to US Embassy officials, he is noted for his moderation, pragmatism, negotiating skills, and methodical—

25X6 [redacted] political style, but he is a poor administrator. [redacted] 25X1

The party's deputy campaign director has told US Embassy officials that if the Social Democrats come within 10 percentage points of the Socialists, the party might consider joining a Socialist-led government. Mota Pinto is known as a tough bargainer, however, and he would surely demand key ministerial posts and an agreement in advance on the outlines of a government program; we doubt that the Socialists would acquiesce easily in such conditions. [redacted]

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**Francisco Lucas
Pires**

A constitutional law expert, Francisco Lucas Pires, who had been a vice president of the Center Democratic Party since 1978, emerged as the leader of the party at its National Congress in February 1983. We believe that he hopes to revive the Democratic Alliance so that he can serve as Deputy Prime Minister. Embassy officials say that Pires, 38, is the charismatic leader of the CDS youth and rank-and-file members even though he is a poor organizer, an infighter, and is often criticized by Portuguese politicians as being too theoretical. Since 1980 he has shifted from the far right to the center of his party. Although some US State Department officials regard this shift as merely a reflection of Pires's eclectic political views, we agree with Embassy officials in Lisbon that it is a calculated attempt to increase his political power. He has promised to improve CDS relations with President Antonio Eanes and the PS. According to Embassy officials, Pires is well disposed toward the United States. A law professor, he served as a deputy in the Assembly of the Republic from 1976 until 1980; since 1981 he has been Minister of Culture and Scientific Coordination. [redacted] 25X1

Center Democrats

Diogo Freitas do Amaral resigned in late December as leader of the Center Democrats—a move he probably thought would allow him to broaden his political base and enhance his prospects for winning the presidency in 1985. His resignation dealt the party a severe

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blow; polls taken right after the announcement by the popular founder of the party showed that public support for the Center Democrats had dropped from 19 to 12 percent. Freitas do Amaral's departure was followed by a more general leadership shakeup. At the party congress in mid-February, Minister of Culture Francisco Lucas Pires came from the backbenches to beat Luis Barbosa, the favorite of party regulars, for the party's top position. We believe Lucas Pires took advantage of grass-roots discontent and the overconfidence of the Lisbon-based leadership. []

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It is not out of the question in our view that Lucas Pires's victory and the defeat of the Lisbon group by the provincial rank and file could revitalize the Center Democrats. Despite their hard feelings, some of the ousted leaders have agreed to head the party's lists in important areas of centrist strength. The Embassy, moreover, portrays Lucas Pires as a dynamic speaker who should prove an effective campaigner, especially among younger voters. And the provincial rank and file—excited by their victory at the congress—are likely to be enthusiastic campaigners in their home areas, which also happen to be the places of the party's highest potential strength. []

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Still, we believe the loss of Freitas do Amaral will not be overcome easily, particularly given the tendency of the Portuguese electorate to vote for the leader rather than the party. Winning back the ground lost in the polls will be all the harder now that the Social Democrats have elected a conservative leadership that may appeal to some of the Center Democrats' traditional supporters. []

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Publicly, Center Democratic leaders assert that their goal in the election is to win enough seats to permit another center-right alliance. In private, however, they have adopted a somewhat more defensive posture. According to the US Embassy, Party Vice President Adriano Moreira says that if the Center Democrats won only 10 or 12 seats in the Assembly—they controlled 46 in the last parliament—they would not ally themselves with any other party or group. If the party were to win 20 or 30 seats, however, Moreira indicates that it would be prepared to make some kind of pact with the Socialists or perhaps even to join a Socialist government. []

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The Socialist Party— A Triumphant Return?

The Socialist Party emerged from the Revolution as the most powerful party in Portugal and held office from 1976 to 1978. It suffered significant losses, however, in the elections of 1979 and 1980 because of its poor governing record and its inability to compete with the fresh image projected initially by the Democratic Alliance. In the December 1982 municipal elections, the Socialists recouped some of those losses, winning 31.4 percent of the vote, more than 4 percentage points better than their tally in the same election in 1979. []

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The Socialists have, in our view, entered this election campaign confidently. According to US Embassy officials, they believe they can build on their recent success and capitalize on the failure of the Democratic Alliance. Recognizing the conservative nature of the Portuguese electorate, the party is running a cautious campaign. The Socialists do not want to promise social and economic programs that they could not deliver under tight economic conditions. Instead, the party is highlighting the weak and indecisive leadership of Balsemao, the legislative ineffectiveness of the Democratic Alliance, and the need to end the country's economic decline. The Socialists are asserting that they offer strong leadership, the ability to establish a broad social pact to include both labor and business, and a commitment to draw up a reasonably precise timetable for economic and social recovery. []

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We believe the Socialists are in a strong position at this juncture. Their impressive showing in the municipal elections last December and the weak record of the former Alliance parties lead us to think the Socialists will win at least 30 to 35 percent of the vote. Socialist leaders have told US Embassy officials that they are focusing their campaign on disaffected liberal voters and on non-Socialist leftists, who may be attracted by the prospect of backing a winner. []

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The Socialists have been plagued by internal dissension. On 25 February a majority of the "ex-Secretariat" faction,² which alleges that Soares leads the party

² The faction is made up of former members of the Socialist Party's Secretariat. It covers the ideological spectrum in the party and is held together by a strong belief that Soares's domination must be reduced. []

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**Mario Soares**

Mario Soares, 58, has been Secretary General of the Socialist Party since 1966. According to US Embassy officials, he relies on personal loyalties and friendships for support and remains firmly in control of his party, although a small faction of prominent technocrats and locally popular figures opposes his domination of the party. Embassy reporting indicates that Soares, who was Prime Minister from 1976 until 1978, wants to run for president in 1985. We believe that his candidacy is acceptable to the center right because he is politically moderate and built credit with the Democratic Alliance in 1982 through his support on revising the Marxist-leaning 1976 Constitution. We expect him to remain a viable candidate even if he accepts the prime-ministership this spring.

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A responsible democratic leader who is more moderate than most European socialists, Soares is well disposed toward the United States, pro-Western, and pro-NATO. Embassy officers say that Soares, as a vice president of the Socialist International (since 1976), has been a positive and moderating force on Central American issues. Some members of the Socialist International view him as too friendly toward the United States; he supports US policies in Nicaragua, but has disagreed at times with this country's policy in El Salvador. According to Embassy officers, he has begun to focus his attentions on southern Africa and is organizing a Socialist International conference on that region for later this year. A lawyer and history professor, he served as Foreign Minister during May 1974–March 1975 and again from October 1977 until February 1978; he is currently a member of the Council of State.

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with an unnecessarily heavy hand, decided to boycott the Socialist ticket. This decision grew out of the refusal by the party's Political Commission to nominate a number of the dissidents; the commission also jeopardized the reelection of others by placing them low on the party lists. The "ex-Secretariat" group includes a number of prominent and well-respected technocrats, as well as locally popular political figures. We believe the split will not affect the party's election prospects, as the dispute is primarily over sharing power, rather than over ideology. Moreover, the dissidents have publicly agreed to downplay their differences and work actively for the party in the election. A Socialist-led government, however, could be hurt if some of the dissidents refused to serve.

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If the Socialists come to power, party leader Mario Soares has told the Embassy he will lead the government. Party leaders had told US officials that he would prefer not to do so, because leading a government during a period of economic austerity and possible social unrest could jeopardize his chances of being elected Portugal's first civilian president in 1985. Soares now believes, however, that if he led the party to power and then refused to serve, he would further alienate voters already frustrated with the democratic parties.

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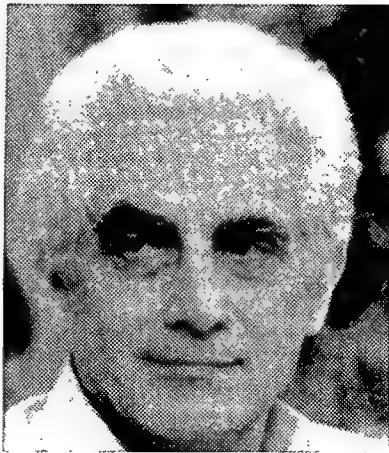
The Communist Party

Europe's most Stalinist and pro-Moscow party has no chance of winning the election, but it is probably hoping that popular discontent with the economic situation will rebound to its benefit. In an effort to appear more democratic and to avoid having to campaign under the hammer and sickle, the Communists are running in coalition with the Communist-leaning Popular Democratic Movement, the "Independent Democrats of the Left," and the "Greens," an ecological party considered to be a Communist front by the Embassy and some of the Portuguese press. We expect the Communists' percentage of the vote to remain about the same—between 15 and 20 percent. This would give them 40 to 50 seats in the 250-seat Assembly.

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Despite its relatively small parliamentary group, the party is a force to be reckoned with and a potentially disruptive factor because it controls Portugal's largest labor federation, the CGTP-IN. Portugal has recently

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*Alvaro Cunhal*

Secretary General of the Communist Party since 1961, Cunhal is an important figure in international communism. We believe that Cunhal's long years of clandestine activity, punctuated by imprisonment—including eight years in solitary confinement—and exile, have made him a dogmatic and inflexible proponent of the Moscow-oriented, anti-Eurocommunist party line. He is publicly advocating a government of all political parties. We believe this somewhat "conciliatory" statement is an effort to win back disenchanted members and improve PCP showing in the national election on 25 April. US Embassy officials say that he has also labeled recent Portuguese initiatives in Mozambique as a "trojan horse of neocolonialism." A lawyer who has never practiced that profession, he served as Minister Without Portfolio during the first four provisional governments in postrevolutionary Portugal (May 1974–August 1975) and has been elected to the Assembly of the Republic since 1976. He currently serves on the Council of State. Cunhal, 69

is a good speaker and a skillful theoretician.

the recently concluded CGTP-IN congress, officials threatened further labor unrest if the Socialists form a coalition with the parties of the right. [redacted]

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The Communists' are following the same strategy in this election that they have used since their ill-fated grab for power in 1975—waiting to see what the other parties say or do, and then attacking them. Party leader Alvaro Cunhal led off the Communists' electoral campaign by singling out the Socialists for criticism, particularly Mario Soares, and taking swipes at the Socialist International, NATO, and the United States. Through its semiofficial voice *O Diario*, the party has alleged that during his recent trip to the US, Soares traded Portuguese bases and Portuguese support of United States policy in southern Africa for promises of US aid. [redacted]

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Outlook

The Socialists probably will win at least a plurality of seats in the Assembly. The government-building process that would follow could take several weeks. We believe the Socialists would try first to forge a majority coalition with the Social Democrats. The Social Democrats would bargain hard, however, and agreement on the division of key ministerial posts and government policy could prove impossible. Even if the leaders of the two parties were to agree on these issues, the Socialist left and the Social Democratic right might try to prevent such an alliance. The leaders of both parties would then have to weigh the potential cost of driving away dissident factions against the possibility that such splits would render the two parties closer in outlook and goals and make a coalition between them more durable. In the past neither party has been willing to consider an alliance with the other because of concern over weakening its flanks. [redacted]

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experienced a succession of crippling transportation strikes, in which strikers demanded higher pay and won support from both the CGTP-IN and the democratic UGT—a confederation of Socialist and Social Democratic unions. The Embassy believes, however, that the Communists may be encouraging the strikers in order to demonstrate that they still have clout. At

If the Socialists were unable to form a coalition that gave them a parliamentary majority, we believe they would try to create a minority government. They would do so, however, only if they could win agreement on a "social pact" involving the parties, the

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business community, and labor. Leading Social Democrats and Center Democrats have given at least lipservice to the need for compromise among key interest groups if the country's problems are to be resolved, and President Eanes has long advocated a dialogue along these lines. The Socialists are already trying to reach a broad understanding with various business groups about how to handle the country's economic problems. A prominent Socialist has told US officials that he believes business associations would quietly support the Socialists. [REDACTED]

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Labor stability would be crucial to the success of any program. Socialist leaders have told the Embassy that talks between the Democratic-UGT and the Socialists have gone well. However, those with the CGTP-IN, which represents the majority of workers, have not been fruitful. We do not believe the CGTP-IN will give up its right to strike without an advance promise of the sort of wage and labor policies that no government intent on austerity could afford to give. For its part, the Communist Party has publicly claimed that it deserves a role in the next government, in effect threatening to block a "social pact" if it is denied a place. [REDACTED]

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In the unlikely event the Socialists failed to win a plurality, we would expect the former Democratic Alliance partners to try to form a new coalition. Despite a change of leadership in both parties, neither party has put forth any new ideas for running the country. We would thus expect a new government based on these parties to follow a program similar to that of the government that collapsed in December, even though the Alliance's prescription was widely judged a failure. [REDACTED]

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Regardless of the political complexion of the next government, it will face formidable economic obstacles. Apparently persuaded by a consensus among most Portuguese economists, Socialist leaders are now trying to convince the rest of the party to accept some harsh realities. The projected current account deficit of over \$3 billion suggests that the IMF will have to be called in before the end of the year, and the painful adjustment program necessary to correct Portugal's balance-of-payments deficit will, we believe, include

squeezing both private and public consumption. There is thus the possibility of further labor unrest as Portuguese workers feel the economic pinch more acutely. Workers have objected strongly to the minimal wage guidelines set by Balsemao and are striking for higher pay. The Embassy's projected 1983 budget deficit of over \$2 billion—more than 10 percent of GDP—shows that progress in controlling government expenditures has been minimal; we believe the Socialists are unlikely to be any more successful at this than the Alliance. Moreover, whereas it may be economically attractive to reduce government outlays by selling inefficient state-owned enterprises to private interests, it would be politically difficult for a Socialist government to move in this direction. [REDACTED]

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None of the probable outcomes of the election is likely, in our view, to satisfy the public's yearning for stable government. The pressing need for austere policies that are unpopular with the public and therefore unappealing to the politicians would in itself make consensus difficult. Combined with the intense partisan tendencies among the principal political leaders and the internal dissension in each of the democratic parties, the economic exigencies augur, we think, for more of the jealous bickering that has consumed much of the political elite's energy in recent years. [REDACTED]

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We believe that these problems will only be exacerbated by the mutual suspicions of the political leaders and President Eanes. Eanes and the politicians are deeply at odds over the proper role of the president. Party leaders believe that Eanes has interpreted his powers far too broadly, weighing in too often on matters where his authority is questionable. For his part, Eanes has often publicly expressed frustration over what he views as the politicians' inability to work together for the larger good of the country. This point of view has prompted him to step in from time to time to avert a crisis or reestablish stability. [REDACTED]

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The situation is further complicated by persistent rumors among Portuguese political observers that Eanes intends at some point to create his own broadly based centrist party to put an end to what he sees as

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partisan squabbling. In our view the existing parties of the center—the Socialists and the Social Democrats—feel most threatened by this prospect, but party leaders across the spectrum probably fear that such a broad centrist amalgamation might challenge the present multiparty nature of Portuguese democracy. We believe they are concerned, moreover, that an Eanes-led party would have some of the negative attributes of the prerevolutionary regime, especially its emphasis on strong personal leadership. []

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The conflict between the President and the parties is temporarily in abeyance as the politicians focus on the campaign, but we believe it will resurface if the new government proves unable to cope effectively with the country's problems. The tensions could become all the greater if Soares is Prime Minister, as he and Eanes strongly dislike each other. The parties did restrict Eanes's room to maneuver when they revised the Constitution last year, but the President still can bring substantial powers to bear, if he believes the government is not functioning adequately. For example, he can veto legislation and can dissolve the government and the Assembly. []

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In contrast to the mistrust and bitterness that characterizes the dialogue within the political elite on many domestic matters, there is a broad consensus among Portugal's democratic political leaders on foreign policy. All democratic parties in Portugal are pro-NATO and pro-West, and the foreign policy of a Socialist government would differ mainly in tone and emphasis from that of its predecessor. Soares has consistently shown, both as Prime Minister from 1976 until 1978, and in his capacity as vice president of the Socialist International, the high value he places on US-Portuguese cooperation. []

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Soares is sensitive to the strategic importance of Lajes Airbase in the Azores, both for the United States and NATO, and we do not foresee major problems in concluding the renewal of the Lajes Airbase agreement. Although we expect the Socialists to be generally receptive to US requests to use Portuguese military facilities for purposes other than those of NATO, they will not, according to Jaime Gama—the Socialists' defense spokesman—grant blanket permission for

such activities. [] This is partly a matter of sovereignty, but the Portuguese have also stressed that they face increased risks in permitting expanded use of their facilities. We think their greatest concern in this regard is the possible negative impact on Lisbon's relations with the Arab states and the chance of a cutoff of their oil supply. Portugal suffered a long-term rupture with the Arab world after allowing the United States to resupply Israel through the Azores in 1973. []

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There are other factors that will constrain the Socialists in working out military agreements with the United States. Embassy and defense reporting has highlighted the belief of some military leaders that Portugal is not being treated fairly either by the United States or by the other NATO Allies in terms of equipment support or compensation for facilities. Although the National Defense Law of 1982 places the military firmly under civilian control, politicians must still take account of the needs and desires of the armed forces in any military-related negotiations. Press coverage of the implications of US use of Portugal's facilities, moreover, suggests that the Portuguese think such use would increase Portugal's vulnerability to attacks by a third party. []

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In addition to these concerns, a Socialist-led government would be somewhat more worried than its predecessor about likely Communist Party charges of selling out to the United States. Portugal's chronically weak economy will also encourage the government to press for significant compensation for expanded use of military facilities. []

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We believe a Socialist government would maintain Portugal's petition for EC membership. In fact, the Socialists made Portugal's original bid to the Community in 1977. It is quite likely that negotiations will be concluded later this year, and Portugal could be ready to enter the EC in 1985. One major hitch is whether

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the EC will be willing to let Portugal come in before Spain, which is not as close to entry. To date, both the Community and Spain have favored simultaneous entry. [redacted]

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Like most of Portugal's major parties, the Socialists have stressed that the country has a special role to play in Africa and should move to assume it as quickly as resources permit. The Socialists have told Embassy officials that they want to help reduce Soviet and Cuban involvement in Africa, stimulate greater trade between Portugal and Africa, and act discreetly as a go-between for the West and the Africans. A Socialist-led government would probably continue the African policies initiated by President Eanes and the Democratic Alliance. [redacted]

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[redacted] the two main former colonies—Mozambique and Angola—are receptive to some forms of cooperation, including on military matters. [redacted]

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